

Message Text

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ORIGIN AGRE-00

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TO ALL DIPLOMATIC AND CONSULAR POSTS PRIORITY

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PASS ALL AGRICULTURAL ATTACHES AND OFFICERS INFORM CONSULS

E.O. 11652: N/A

TAGS: EAGR

SUBJECT: FOLLOWING PRESS RELEASE ENTITLED "NEGOTIATIONS
SET TO REPLACE 1971 INTERNATIONAL WHEAT AGREEMENT" ISSUED
BY USDA ON JANUARY 13, QUOTE:

1. THE INTERNATIONAL WHEAT COUNCIL AT A TWO-DAY MEETING
WHICH ENDED WEDNESDAY IN LONDON DECIDED TO PROCEED WITH
NEGOTIATIONS FOR AN AGREEMENT TO REPLACE THE 1971 INTER-
NATIONAL WHEAT AGREEMENT, WHICH EXPIRES NEXT JUNE 30.

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2. ASSISTANT SECRETARY OF AGRICULTURE DALE HATHAWAY WAS
INFORMED OF THE DECISION BY THE U.S. DELEGATION TO THE
LONDON MEETING, WHICH REPORTED THAT THE NEGOTIATING CON-
FERENCE WILL BE HELD FEB. 13 TO MARCH 23 IN GENEVA.

3. THE 1971 AGREEMENT INCLUDES TWO CONVENTIONS, ONE ON WHEAT
TRADE AND THE OTHER ON FOOD AID. THE WHEAT TRADE CONVENTION

HAS NO ECONOMIC PROVISIONS BUT PROVIDES A FRAMEWORK FOR CONSULTATIONS AND MARKET INFORMATION. AT A REGULAR MEETING OF THE INTERNATIONAL WHEAT COUNCIL LAST JUNE, THE UNITED STATES CALLED FOR RENEWED EFFORTS LEADING TO POSSIBLE NEGOTIATION OF A NEW AGREEMENT. AT A SUBSEQUENT MEETING OF THE COUNCIL'S PREPARATORY GROUP ON SEPT. 29, THE UNITED

STATES OFFERED A PROPOSAL FOR THE FRAMEWORK OF A NEW AGREEMENT ON WHEAT TRADE AND FOOD AID.

4. IN ITS PROPOSALS THE UNITED STATES HAS STRESSED THE FOLLOWING OBJECTIVES: (1) TO CONTRIBUTE TO THE SECURITY OF WORLD FOOD SUPPLIES, (2) TO MODERATE EXTREME PRICE FLUCTUATIONS, (3) TO PROMOTE THE EXPANSION OF INTERNATIONAL TRADE, (4) TO ASSURE ADEQUATE FOOD AID TO DEVELOPING COUNTRIES, AND (5) TO ENCOURAGE MORE INTERNATIONAL COOPERATION ON ALL ASPECTS OF WHEAT TRADE.

5. DR. HATHAWAY SAID THE BASIC WORKING DOCUMENT FOR THE UPCOMING NEGOTIATIONS CONTAINS TWO VERSIONS OF A POSSIBLE NEW TRADE CONVENTION, AS WELL AS A DRAFT FOR A NEW FOOD AID CONVENTION. THIS WEEK'S COUNCIL DECISION RECOGNIZED THAT THE VERSION, WHICH INCORPORATES FULLY THE ELEMENTS PROPOSED BY THE UNITED STATES LAST SEPTEMBER, IS VIEWED BY MOST DELEGATIONS AS THE VERSION WHICH SHOULD BE THE BASIS FOR NEGOTIATIONS ON WHEAT.

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6. REGARDING COARSE GRAINS, WHICH SOME COUNTRIES FEEL ALSO SHOULD BE THE SUBJECT OF A NEW INTERNATIONAL ARRANGEMENT, THE COUNCIL DECIDED THAT THIS ASPECT HAD NOT BEEN DISCUSSED IN SUFFICIENT DETAIL IN THE PREPARATORY GROUP. SINCE DIFFERENT PARTICIPANTS ARE INVOLVED, THE COUNCIL RECOMMENDED THAT, FOR THOSE PARTIES INTERESTED, COARSE GRAINS SHOULD BE NEGOTIATED IN A SEPARATE SUBGROUP. ON THIS ASPECT, ASSISTANT SECRETARY HATHAWAY EMPHASIZED THAT THE PROCEEDINGS ON WHEAT AND FOOD AID ARE TO BE SEPARATE FROM THOSE DEALING WITH COARSE GRAINS. HE SAID IN HIS VIEW IT IS ESSENTIAL THAT THE DISCUSSIONS ON GRAINS OTHER THAN WHEAT MUST NOT INTERFERE WITH THE CONCLUSION OF OTHERWISE WORKABLE ARRANGEMENTS CONCERNING WHEAT AND FOOD AID, NOR WITH THE OBJECTIVE OF HAVING A NEW AGREEMENT ON THOSE ASPECTS READY IN TIME TO REPLACE THE 1971 INTERNATIONAL WHEAT AGREEMENT.

7. DR. HATHAWAY SAID THAT THE UNITED STATES HAD AGREED TO ENTER DISCUSSIONS ON COARSE GRAINS ONLY AFTER TAKING INTO ACCOUNT THE VIEWS OF CERTAIN IMPORTING COUNTRIES AND IN ORDER TO AVOID A DELAY IN PROGRESS TOWARD A NEW

AGREEMENT ON WHEAT. DR. HATHAWAY FURTHER EMPHASIZED
THAT ANY CONCLUSION THAT MIGHT BE REACHED ON COARSE
GRAINS WOULD HAVE TO PROVIDE FOR GREATER ACCESS TO
SUPPLIES AND MARKETS THROUGH REDUCTION OF TRADE BARRIERS.
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